

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA,	§	
	§	
Plaintiff,	§	
	§	
VS.	§	CIVIL ACTION NO. H-06-3447
	§	
ERNEST FRANCIS FLORES, <i>et al.</i> ,	§	
	§	
Defendants.	§	

FINAL JUDGMENT

The court, having considered the agreement of the parties, the United States, Joshua Brett Haley, as administrator for the Estate of Terra V. Flores, and Colonial Savings, F.A., which resolves the United States' counterclaim against Joshua Brett Haley, as administrator for the Estate of Terra V. Flores, and Colonial Savings, F.A., has determined that judgment should be entered consistent with the agreement.

It is ordered that Joshua Brett Haley, as administrator of the Estate of Terra V. Flores, will sell 1519 Bellwood, Richmond, Texas 77469 ("the Bellwood property") and agrees that the proceeds of sale will be distributed in the following order of priority: (1) costs of sale; (2) any ad valorem taxes due; (3) payment of the mortgage to Colonial Savings, F.A.; (4) payment to Joshua Brett Haley for any mortgage payments he has made since the death of Terra V. Flores; (5) payment to the United States of \$50,000, plus interest accrued from March 1, 2008 through the date of tender of payment; and (6) any surplus, after payments (1) through (5), will be paid to the beneficiaries of Terra V. Flores under her will.

Joshua Brett Haley, in his capacity as administrator of the Estate of Terra V. Flores, will sell the Bellwood property by November 30, 2008. Should sale of the Bellwood property be pending, but unable to be completed by November 30, 2008, the United States will have the right to grant an extension to complete the sale, at the sole discretion of the United States. In addition, Joshua Brett Haley, in his capacity as administrator of the Estate of Terra V. Flores, will continue to pay all mortgage payments and pay the homeowners insurance on the Bellwood property through the date of sale. Joshua Brett Haley, in his capacity as administrator of the Estate of Terra V. Flores, will also pay all the costs associated with the sale. The interest rate will be 7% for the purpose of determining the interest due on the \$50,000 to be paid to the United States.

If the Bellwood property is not sold by Joshua Brett Haley by November 30, 2008, the United States will sell the Bellwood property and the proceeds of the sale will be distributed in the following order of priority: (1) costs of sale; (2) any ad valorem taxes due; (3) payment of the mortgage to Colonial Savings, F.A.; (4) payment to Joshua Brett Haley for any mortgage payments he has made since the death of Terra V. Flores; (5) payment to the United States up to the total amount of taxes due and owing by defendant Ernest Flores; and (6) any surplus, after payments (1) through (6), will be paid to the beneficiaries of Terra V. Flores under her will.

It is also ordered that judgment is entered in favor of the United States and against Ernest Francis Flores, for the amount of \$65,149.71, plus interest and statutory additions from March 7, 2008, for income taxes and civil penalties under section 6702, as described

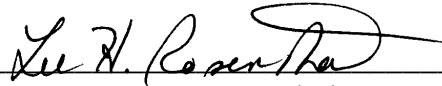
below. Interest and statutory additions will continue to accrue on the unpaid balance as provided by sections 6651(a)(2) and 6601(a) of the Internal Revenue Code.

TYPE OF TAX	TAX PERIOD	DATE OF ASSESSMENT	AMOUNT DUE THROUGH MARCH 7, 2008
1040	1998	03/01/2004	\$ 8,624.04
1040	1999	05/30/2005	\$28,400.80
1040	2000	03/01/2004	\$ 9,170.90
1040	2003	06/06/2005	\$14,454.95
§6702	1999	11/13/2006	\$ 659.55
§6702	2000	11/24/2003	\$ 1,318.59
§6702	2001	11/24/2003	\$ 1,277.29
§6702	2002	11/24/2003	\$ 659.55
§6702	2004	03/06/2006	\$ 584.04
TOTAL:			\$65,149.71

It is further ordered that the United States's liens against Ernest Francis Flores are foreclosed, subject to the Agreed Judgment between the United States, the estate of Terra V. Flores, and Colonial Savings, F.A., against the Bellwood Lake property, more particularly described as follows:

Lot Five (5), Block Two (2) of the WATERSIDE ESTATES, SECTION SIX, an addition in Fort Bend County, according to the map or plat thereof, recorded under Slide No. 2068/B of the Plat Records of Fort Bend County, Texas.

SIGNED on May 7, 2008, at Houston, Texas.


 Lee H. Rosenthal
 United States District Judge